

# CARGILL

P.O. Box 5606  
Minneapolis, MN 55440-5606  
952/742-6183  
karen\_suedmeyer@cargill.com

Karen A. Suedmeyer  
Warehousing Specialist

## Via Email

October 4, 2001

Roger Hinkle, Chief  
Licensing Authority Branch  
Warehouse and Inventory Division  
FSA, USDA  
Stop 0553, 1400 Independence Avenue, S.W.  
Washington, DC 20250-0553

Dear Mr. Hinkle:

Cargill, Incorporated appreciates the opportunity to review and comment on the proposed rules for implementing the provisions of the Grain Standards and Warehouse Improvement Act of 2000 (2000 Act), and commends FSA on the new structure and proposed rules pertaining to electronic documents, and adaptation of licensing agreements.

As a result of my review of the proposed rules, I would like to offer the following comments:

- Background
  - Note language reflects in part "The 2000 Act amendments provide for licensing and inspection of warehouses used to store agricultural products..."
  - Inasmuch as a recent Federal Court determined that "The Act" also covers merchandising activities, wouldn't the language be more representative if it stated "The 2000 Act amendments provide for licensing and inspection of warehouses used to store and merchandise agricultural products..."
- Subpart A - General Provisions, Para. 735.3 Definitions, Service License
  - Frequently federally-licensed warehousemen are advised by State regulatory agencies that although they are a Federally-licensed warehouseman, they must obtain State weigher, grader and/or handler licenses, which is redundant and should be unnecessary. Perhaps additional clarification language could be included in this definition which would clarify that a Federal Service License precludes the need for State licensing in this area.
- Subpart B - Warehouse Licensing, Para. 735.102 Financial Assurance Requirements (3)
  - Irrevocable letters of credit, while a good tool, are quite expensive and its' my understanding that often times banks will only issue them for a period not to exceed twelve months.

Cargill appreciates having received the opportunity to share its' comments regarding the proposed rules, and hereby requests to retain the right to submit additional comments for your review and consideration in the near future.

Sincerely,

Karen A. Suedmeyer  
Warehousing Specialist

KAS:mkt

